

Message Text

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PAGE 01 JIDDA 04818 100831Z
ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 /018 W
-----129324 100832Z /10
R 100745Z JUL 77
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 8884
INFO USDOC WASHDC
AMCONSUL DHAHRAN

C O N F I D E N T I A L JIDDA 4818

E.O. 11652: GDS
TAGS: EINV, ECRE, BBAK, BEXP, SA
SUBJECT: R.M. PARSONS YENBO ROLE

REF: JIDDA 3737

1. INFORMED SOURCES HAVE TOLD THE EMBASSY THAT THE ROYAL COMMISSION FOR JUBAIL AND YENBO HAS CONVINCED R.M. PARSONS CO. TO UNDERTAKE IMPLEMENTATION OF THE "CONSTRUCTION SUPERVISION" FOR YENBO AS ORIGINALLY PLANNED. REFTEL INDICATED THAT PARSONS DESIRED TO FOREGO THIS IN ORDER TO GO AFTER MORE PROFITABLE YENBO REFINERY.

2. ACCORDING TO EMBASSY'S INFORMATION, DR. FAROUKH AKHDAR, EXECUTIVE DIRECTOR OF THE ROYAL COMMISSION, AND SAMI MOSELY, YENBO DIRECTOR, URGED PARSONS TO STAY WITH CONSTRUCTION SUPERVISION. R.M. PARSONS OFFICIALS HAVE CONFIRMED THE INFORMATION AND STATE THEY WILL SUBMIT BID ON IMPLEMENTATION. THEY ADMIT THAT BY SAUDI RULES, WHICH ADHERE TO ENGINEERING AND CONSTRUCTION ETHICS FOLLOWED IN THE U.S., THIS WILL ELIMINATE THEM FROM REFINERY CONTRACT. THEY CANNOT SUPERVISE THEIR OWN JOB.

3. COMMENT: IN ESSENCE, U.S. FIRM HAS ASSURANCE THAT IT CAN PERFORM IMPLEMENTATION OF YENBO PROJECT FOR WHICH
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IT IS PREPARING MASTER PLAN SCHEDULED FOR COMPLETION IN AUGUST. AT OUR INQUIRY ABOUT WHETHER THEY INTEND TO BID SO HIGH AS TO BE ELIMATED AND THUS ELIGIBLE FOR REFINERY, THE OFFICIAL STATED, "WE ARE NOT THAT FOOLISH." OTHER U.S. FIRMS INCLUDING BROWN & ROOT ALSO INTEND TO BID ON THE IMPLEMENTATION CONTRACT. AS FOR THE REFINERY PROJECT, THE QUESTION OF WHETHER PARSONS

WILL GO AFTER THIS IS STILL MOOT. SENIOR MANAGEMENT OF
PARSONS BASED HERE HAVE BEEN IN LONDON PARSONS OFFICE
FOR PAST WEEK TO MAKE FINAL DECISION. HOWEVER, IT APPEARS
THAT SAUDIS HAVE DECIDED ON PARSONS FOR THIS PART OF THE
YENBO PROJECT AND THERE WILL BE NO ALTERNATIVE FOR THE
FIRM BUT TO GO ALONG. SAUDI SPONSOR FOR PARSONS IS
GAITH PHAROAN. IT WILL BE OF INTEREST TO SEE WHO GETS
THE REFINERY PROJECT. LOCAL CIRCLES FEEL THAT THE
REFINERY PROJECT MAY ALSO GO TO A CHOSEN COMPANY,
IDENTITY THUS FAR UNKNOWN.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MANAGEMENT, CONSTRUCTION, BUSINESS FIRMS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JIDDA04818
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770245-0383
Format: TEL
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770773/aaaacuuu.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 6f3cf96d-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 JIDDA 3737
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 31-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1910594
Secure: OPEN
Status: NATIVE
Subject: R.M. PARSONS YENBO ROLE
TAGS: EINV, ECRE, BBAK, BEXP, SA, US, RALPH A PARSONS CO
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/6f3cf96d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009